

OU3 Repository Capacity Calculations

August 19, 2010

For Settlement Discussions Only

Please note that all information presented herein, including numbers related to repository capacity allotment, allocation and/or liability share, are meant to be an opening framework for discussion and are provided solely for the purposes of Agency settlement negotiations. These figures are not intended or meant to bind EPA in any enforcement proceeding.

Repository Capacity

1,200,000 cy	Total OU3 Repository capacity
- 838,000 cy	Total CERCLA waste at OU3
362,000 cy	Park City Development Waste

Repository Costs

• OU3 waste	
\$9.25	Cleanup/digging (and transportation) costs
\$1.00	Construction costs
\$4.75	Operational costs
+\$.25	Closure costs
\$15.25	Cost, per cy, to dispose of OU3 waste @ Repository
• Development waste	
\$.00	Cleanup/digging (and transportation) costs
\$1.00	Construction costs
\$4.75	Operational costs
+\$.25	Closure costs
\$6.00	Cost, per cy, to dispose of Developmt waste @ Repository

Credit for Donated Property

\$1,900,000	Property value, clean
\$ - 610,000	Cost to clean exposed waste
\$1,300,000	Credit that PC may apply to its costs under the AOC

Application of liability share to OU3 waste

- PC Exposed Waste

412,000 cy	OU3 waste owned by PC (OU2 and MR)
<u>412,000 x .33 x \$15.25</u>	same, with 33% o/o liability share and tipping fee applied
\$2,073,390	PC's costs for owned OU3 exposed waste

- Non-PC Exposed Waste

426,000 cy	OU3 waste not owned by PC (SMC, OU2 Asarco waste)
<u>426,000 x .10 x \$15.25</u>	same, with 10% operator share and tipping fee applied
\$649,650	PC's costs for OU3 waste it does not own

- Development Waste

362,000 cy	Development waste
<u>362,000 x 6</u>	same, w no liability share reduction & devel waste tipping fee applied
\$2,172,000	PC's costs for development waste

- Total Cost to PC

\$2,073,390	PC Exposed Waste
\$649,650	Non-PC Exposed Waste
<u>+\$2,172,000</u>	PC Development Waste
\$4,895,040	
\$4,895,040	Total
<u>-\$1,300,000</u>	Credit application
\$3,595,040	Total PC cost
	(for 362,000 cy developmt waste & finality re Watershed exposed waste)

Cost Comparison

\$30,266,820	Cost to dispose of 362,000 cy at Toole
	using the \$86.61 per cy figure from PC's 7/28/10 letter
\$30,266,820	
<u>\$ 3,595,040</u>	Total PC cost
\$26,671,780	Savings to PC by participating in negotiations